

The background of the slide is a photograph of a modern building with a glass facade. The image is tinted with a deep blue color. A person is visible walking on a bridge or walkway within the building's structure. The text "Countywide Redevelopment Successor Agency Oversight Board (San Diego)" is overlaid on the right side of the image in a white, sans-serif font.

Countywide Redevelopment Successor Agency Oversight Board (San Diego)

2018 – 2019

Special Liability Insurance Program (SLIP) Insurance Proposal

Presented on October 4, 2018 by:

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Named Insured / Additional Named Insureds

Named Insured(s)

Countywide Redevelopment Successor Agency Oversight Board (San Diego)

Additional Named Insured(s)

None Disclosed

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Special Liability Insurance Program (SLIP) Coverage

INSURANCE COMPANY:
A.M. BEST RATING:
STANDARD & POOR'S RATING:
CALIFORNIA STATUS:
POLICY/COVERAGE TERM:
POLICY NUMBER:
COVERAGE:

Great American E&S Insurance Company

A+, Superior; Financial Size Category XV; (\$2 Billion or greater) as of 5/12/16

A+ pulled as of 8/1/17

Non-Admitted

September 29, 2018 To September 29, 2019

TBD

Liability Form on an Occurrence Basis

(Coverage applies only where checked)

		Limits	Deductible/SIR
<input type="checkbox"/>	Maximum Per Occurrence Limit for all Coverages Combined	\$7,000,000	
<input checked="" type="checkbox"/>	Personal Injury (Including Bodily Injury and Property Damage)	\$7,000,000	\$5,000
<input type="checkbox"/>	Broadcasters Liability	\$	\$
<input type="checkbox"/>	Educators Legal Liability	\$	\$
<input checked="" type="checkbox"/>	Public Officials Errors and Omissions	\$7,000,000	\$5,000
<input type="checkbox"/>	Nonprofit Directors and Officers Liability	\$	\$
<input type="checkbox"/>	Employment Practices Liability	\$	\$
<input type="checkbox"/>	Nose Coverage Retro Date:	\$	\$
<input type="checkbox"/>	Owned Automobile Liability	\$	\$
<input type="checkbox"/>	Uninsured Motorist Coverage	\$	\$
<input type="checkbox"/>	Non-Owned and Hired Automobile Liability	\$	\$

Annual Aggregate Limits:

	Limits
<input checked="" type="checkbox"/> Products / Completed Operations	\$7,000,000
<input checked="" type="checkbox"/> Public Officials Errors and Omissions	\$7,000,000
<input type="checkbox"/> Nonprofit Directors and Officers Liability	\$
<input type="checkbox"/> Employment Practices Liability	\$

Sub-Limits:
(Coverage applies only where checked)

	Limits	Deductible/SIR:
<input checked="" type="checkbox"/> Fire Damage Liability (Sublimit of Personal Injury/Property Damage Coverage Limit) Capped at \$1,000,000	\$1,000,000	\$5,000

Special Liability Insurance Program (SLIP) Coverage – Continued

Defense Inside/Outside the Limit:

Inside

Who has the Duty to Defend:

Carrier

Special Endorsements:

None

Major Exclusions:

(including but not limited to)

- Fiduciary Liability
- Breach of Contract
- Workers' Compensation
- Asbestos
- Auto Liability (unless Owned Auto coverage provided)
- Uninsured Motorist coverage except if Auto Liability marked X'd above, or unless coverage specifically requested and in file
- Failure to Supply
- Pollution Except for Hostile Fire and Vehicle Upset / Overturn coverage
- Inverse Condemnation / Eminent Domain
- Care, Custody, and Control
- Medical Payment Coverage
- Dam Liability
- All Aircraft; Watercraft over 51 feet in length
- Airports
- Medical Malpractice (except incidental)
- Subsidence
- Nuclear Material
- ERISA
- Fungi or Bacteria
- War or Terrorism
- Securities and Financial Interest
- Mold
- Public Officials Errors & Omissions (if Directors & Officers Applies)
- Directors & Officers (if Public Officials Errors & Omissions Applies)
- Employment Practices Liability (Unless purchased)

Special Liability Insurance Program (SLIP) Coverage – Continued

Major Exclusions: - Continued (including but not limited to)

- Montrose Exclusion – Prior knowledge of incident or loss
- Abuse & Molestation
- Residential Construction
- Athletic Participants
- Transit Operations
- Bodily Injury of Tenants or Guests of Tenants for Habitational Risks
- Insurance Agent/Claims Administration/Mortgage Broker
- Lead

Annual Premium:

\$	4,967.64	SLIP Premium
\$	149.03	Taxes
\$	9.94	Stamping Fee
\$	571.28	Agency Fee
\$	372.57	MGA Service Fee
\$	6,070.46	Total Cost

MGA Service Fee is 100% earned.
Mid-term cancellations could have a short-rate penalty applied to the return premium.

Minimum Earned Premium:

25% of the annual premium

Terrorism Option:

5% of premium plus applicable taxes and fees.

Optional Coverage:

None

Policy Auditable:

Not Auditable

Conditions:

- Limits are exhausted by Indemnity and Defense Cost.
- Limits are Per Occurrence.
- There is no General Aggregate.
- Limits apply to each entity in the program.

Special Liability Insurance Program (SLIP) Coverage – Continued

Conditions: - Continued

****This QUOTATION is subject to review and possible re-rating if there are any significant changes in operations, exposure or experience prior to carrier binding. Such significant changes include, but are not limited to, any declared or potential occurrence series, claims series or batch notices by or to the insured****

Quote Valid Until:

45 Days from quote date

Binding Conditions:

- Signed Request to Bind Form
- Signed Surplus Lines Forms
- Signed TRIA indicating accept or decline the optional coverage

See Disclaimer Page for Important Notices and Acknowledgement

Premium Summary

Coverage	Carrier	Agency / Direct	Premium	Payment Plan
Special Liability Insurance Program (SLIP)	Great American E&S Insurance Company	Agency	\$6,070.46	Annual
Total Annual Premium				

Payment Terms

- Premium is due within 30 days of policy inception

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Other Disclosures / Disclaimers – Continued

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Request to Bind Coverage

Countywide Redevelopment Successor Agency Oversight Board (San Diego)

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Special Liability Insurance Program (SLIP)	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

NOTICE: AMOUNTS INCURRED FOR "DEFENSE COSTS" WILL REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Throughout this policy, words and phrases that are shown in "quotation marks" have special meaning and are defined in the policy.

In consideration of the payment of the premium, in reliance upon the statements in the application for this policy made to the company providing this insurance (herein called "We", "Us", "Our" or the "Company") and subject to the Declarations, Schedules, terms, conditions, exclusions and endorsements that complete this policy, the "Company" and each "Participating Named Insured" agree as follows:

I. INSURING AGREEMENT

The "Company" will pay on behalf of the "Insured" the "Ultimate Net Loss" that the "Insured" becomes legally obligated to pay as "Damages" because of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability to which this insurance applies.

This insurance applies to "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability only if:

- (1) The "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability is caused by an "Occurrence" that takes place in the "Coverage Territory"; and
- (2) The "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability is caused by an "Occurrence" during the "Policy Period". No other obligation to pay any additional sums or perform acts or services is covered.

II. DEFENSE AND "DEFENSE COSTS"

The "Company" will have the right and duty to defend the "Insured" against any "Claim" or suit seeking those "Damages" because of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability. However, the "Company" will have no duty to defend the "Insured" against any suit seeking "Damages" for "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability to which this insurance does not apply. The "Company" may at their discretion investigate any "Occurrence" and settle any "Claim" or suit that may result. But:

- (1) The amount the "Company" will pay for "Damages" is limited as described in Section III. Limits of Insurance; and
- (2) The "Company's" right and duty to defend ends when the "Company" has used up the applicable limit of insurance in the payments of judgments or settlements.

However, if the "Company" makes a settlement offer, the "Company" will not pay any pre-judgment interest based on that period of time after the offer.

III. THE COMPANY'S LIMIT OF LIABILITY

- A. The Limits of Liability shown in the participation endorsement and the rules below fix the most the "Company" will pay regardless of the number of:
1. "Insureds" under this policy;
 2. Persons or organizations who sustain injury or "Damage"; or
 3. "Claims" made or suits brought.
- B. Subject to Paragraph C. below, if an amount is stated in the Limits of Insurance in Item 3.A.2. of the participation endorsement, the Limits of Insurance apply as shown below:
1. Personal Injury and Property Damage Limit – The Personal Injury and Property Damage Limit is the most the "Company" will pay for all "Damages" because of all "Personal Injury" or "Property Damage" arising out of any one "Occurrence".
 2. Non-Profit Directors and Officers or Public Officials Errors and Omissions Limit – The Non-Profit Directors and Officers Limits or Public Officials Errors and Omissions Limit is the most the "Company" will pay for all "Damages" because of all "Non-Profit Directors and Officers Liability" or "Public Officials Errors and Omissions" arising out of any one "Occurrence".
 3. Employment Practices Liability Limit – The Employment Practices Liability Limit is the most the "Company" will pay for all "Damages" because all "Employment Practices" liability arising out of any one "Occurrence".
- C. With respect to "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", "Employment Practices" liability, or any combination thereof, the "Company's" liability shall be limited to the "Ultimate Net Loss" as the result of any one "Occurrence", not exceeding the amount specified in Item 3A (1) of the Limit of Liability section in the Special Liability Insurance Program (SLIP) participation endorsement for each respective "Participating Named Insured".
- For each "Occurrence", the "Company's" limit of liability under this policy shall apply separately to each "Participating Named Insured" as shown on the respective participation endorsements under this policy.
- D. Subject to A. above, if an amount is stated in the Aggregate Limits of Insurance in Item 3.B of the participation endorsement, the Aggregate Limits of Insurance apply as shown below:
1. Products-Completed Operations Hazard Aggregate - The Products-Completed Operations Hazard Aggregate Limit of this insurance is the most the "Company" will pay for all "Damages" because of "Personal Injury" or "Property Damage" included in the "Products-Completed Operations Hazard" during the "Policy Period", regardless of the number of "Occurrences".
 2. Non-Profit Directors and Officers or Public Officials Errors and Omissions Aggregate - The Non-Profit Directors and Officers or Public Officials Errors and Omissions Aggregate Limit of this insurance is the most the "Company" will pay for all "Damages" because of "Non-Profit Directors and Officers Liability" or "Public Officials Errors and Omissions" during the "Policy Period", regardless of the number of "Occurrences".
 3. Employment Practices Liability Aggregate - The Employment Practices Liability Aggregate Limit of this insurance is the most the "Company" will pay for all "Damages" because of "Employment Practices" liability during the "Policy Period", regardless of the number of "Occurrences".

These Aggregate Limits of Liability apply separately to each "Participating Named Insured" as shown on the respective Special Liability Insurance Program (SLIP) participation endorsement under this policy.

- E. "Defense Costs" incurred by the "Company" in connection with the right and duty to defend under this Section II. of this policy shall be included within and erode the Limits of Liability.

IV. COVERAGE TERRITORY

This policy applies to "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability occurring anywhere in the world, but only if a "claim" is made or a suit is brought in the United States of America (including its territories and possessions).

V. PERSONS OR ENTITIES "INSURED"

Each of the following is an "Insured" to the extent set forth below:

- (A) The "Participating Named Insured";
- (B) Those individuals who were or are now:
 - (1) Elected or appointed officials of the "Participating Named Insured", including members of the "Participating Named Insured's" governing body or any other committees, boards or commissions;
 - (2) Directors and officers, volunteers, trustees, members, members of faculty, teachers, teaching assistants of the "Participating Named Insured", while acting on behalf of the "Participating Named Insured"; and
- (C) Present employees or contracted employees or volunteers of the "Participating Named Insured" while acting for or on behalf of the "Participating Named Insured".
- (D) Spouse of a "Participating Insured", but only with respect to their use of an "Automobile" or "Auto" with the permission of "Participating Named Insured".

VI. EXCLUSIONS

This policy does not apply:

- (A) To any obligation of the "Insured" under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- (B) To "Bodily Injury" to any employee of the "Insured" arising out of and in the course of employment by the "Insured".
- (C) To any liability for "Property Damage" to:
 - (1) Real Property owned, rented, occupied by or leased to the "Insured", their agents or subcontractors;
 - (2) Real or Personal Property used by the "Insured", their agents or subcontractors; or
 - (3) Real or Personal Property in the "Insured's", their agent's or subcontractor's care, custody or control or as to which the "Insured", their agents or subcontractors are, for any purpose, exercising control.

However, this exclusion shall not apply to watercraft less than or equal to fifty-one (51) feet in length.

- (D) To any liability assumed for which the "Insured" becomes legally obligated to pay "Damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "Damages":
 - (1) Assumed in an "Insured Contract" provided that the "Personal Injury" or "Property Damage", occurs subsequent to the execution of the contract or agreement; or

(2) That the "Insured" would have in the absence of the contract or agreement.

(E) To liability arising out of the ownership, maintenance, loading or unloading, use or operation of any "Aircraft" including any "Aircraft" in the care, custody or control of the "Insured", airfields, runways, hangars, buildings or other properties in connection with aviation activities.

(F) To "Personal Injury" or "Property Damage" due to the use or operation by or on behalf of the "Insured" as respects:

(1) Any hospital; Any health care provider because of his or her professional acts, errors or omissions, except for (a) paramedics, emergency medical technicians, and medical examiners or nurses who are employees or volunteers of the "Insured" and (b) Good Samaritan Emergency Acts and First Responders;

(2) Any clinic or infirmary that has a) overnight facilities; or b) that performs invasive surgery of any kind; or

(3) Any pharmacy operated by or for the "Insured".

(G) To any liability arising out of or in connection with the principles of eminent domain or condemnation proceedings, by whatever name called, whether or not liability accrues directly against any "Insured" or by virtue of any agreement entered into by or on behalf of any "Insured".

This exclusion shall not apply to any inverse condemnation where any suit or claims for inverse condemnation are a result of negligence on the part of an "Insured".

(H) To any liability arising out of the failure or inability to supply or provide electrical power, fuel or water; or to any liability arising out of the interruption of the electrical power, fuel or water supply.

(I) To "Personal Injury" or "Property Damage" arising out of the ownership, maintenance, operation, use, loading or unloading of (1) any "Watercraft" owned or operated by or rented or loaned to the "Insured", or (2) "Watercraft" operated by any person in the course of his employment by the "Insured".

However, this exclusion shall not apply to any:

(1) Owned "Watercraft" less than or equal to fifty-one (51) feet in length; or

(2) Non-owned "Watercraft" less than or equal to fifty-one (51) feet in length.

(J) To any liability:

(1) (a) With respect to which the "Insured" is also an "Insured" under a nuclear energy policy issued by the Nuclear Energy Liability-Property Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an "Insured" under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) Resulting from the hazardous properties of nuclear material and with respect to which (i) any person or any organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, (ii) the "Insured" is, or had this policy not been available would be entitled to indemnity from the United States of America or any agency thereof.

(2) for injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:

(a) The nuclear material (i) is at any nuclear facility owned by the "Insured" or operated by the "Insured" or on the "Insured's" behalf, or (ii) has been discharged or dispensed therefrom;

The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by the "Insured" or on the "Insured's" behalf; or

- (b) The injury, sickness, disease, death or destruction arises out of the furnishing by the "Insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operating or use of any nuclear facility, but if such facility is located within the United States of America, its territories or Canada, this exclusion, (c) applies only to injury or "Property Damage" to such nuclear facility and any property thereat.

(3) As used in this exclusion:

- (a) Hazardous properties include radioactive, toxic or explosive properties.
- (b) Nuclear material means source material, special nuclear material or by-products material.
- (c) Source material, special nuclear material and by-product material have the meanings given them in the Atomic Energy Act of 1954 or any law amendatory thereof.
- (d) Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.
- (e) Waste means any waste material (i) containing by-product other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material contents and (ii) resulting from the operation by any person or organization of a nuclear facility included within the definition of nuclear facility below.
- (f) Nuclear facility means:
 - (i) Any nuclear reactor;
 - (ii) Any equipment or device designed or used for
 - (1) separating the isotopes of uranium or plutonium,
 - (2) processing or utilizing spent fuel, or
 - (3) handling, processing or packaging wastes;
 - (iii) Any equipment or device used for the processing, fabricating, or alloying of special nuclear material if at any time the total amount of such material in the "Insured's" custody at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
 - (iv) Any structure, basin, excavation, premises or place prepared or used for storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- (g) Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction to contain a critical mass of fissionable material.
- (h) With respect to injury or to destruction of property, the word injury or destruction includes all forms of radioactive contamination of property.

(K) (1) To any "Claim" for liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants, anywhere in the world;

(2) To any loss, cost or expense arising out any request, demand, order or statutory or regulatory requirement that the "Insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (3) To any loss, cost or expense arising out of any "Claim" or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of pollutants.

However, paragraph (1) of this exclusion does not apply to:

- (a) "Personal Injury" or "Property Damage" arising out of heat, smoke or fumes from a hostile fire.
- (b) "Personal Injury" or "Property Damage" arising out of collision, upset or overturn of any automobile or attached machinery or equipment.
- (c) "Personal Injury" or "Property Damage" arising out of chlorine leaks or pesticide/herbicide applications.

As used in this exclusion:

- (i) Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials, which are intended to be or have been recycled, reconditioned or re-claimed.
- (ii) Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.
- (iii) Automobile means any licensed vehicle operated on public roads and highways.

- (L) (1) Any liability arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos products, asbestos fibers, or asbestos dust; or
- (2) To any liability to indemnify any party because of "Damage" arising out of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", or "Non-Profit Directors and Officers Liability" due to an "Occurrence" at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust; or
- (3) To any liability to defend any suit or "Claim" against the "Insured" seeking "Damages" arising out of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions" or "Non-Profit Directors and Officers Liability" due to an "Occurrence", if such "Damages" result from or are contributed to any combination of the following: manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust;

(M) To any obligation of the "Insured" (or which is imputed on the "Insured") under the Employee Retirement Income Security Act of 1974 (including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985), or any amendment or revision thereto, or any similar law.

(N) To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete structural failure of any "Dam".

(O) To any liability arising out of the ownership, maintenance or use of an "Automobile".

(P) To "Public Officials Errors and Omissions" or "Non-Profit Directors and Officers Liability" for:

- (1) The refund of taxes, fees or assessments;
- (2) (a) Liability of an "Insured" arising in whole or in part, out of any "Insured" obtaining remuneration or financial gain to which the "Insured" was not legally entitled; or
- (b) Liability arising out of the willful violation of a penal code or ordinance committed by or

with the knowledge or consent of any "Insured";

except that any fact pertaining to any other "Insured" shall not be imputed to any other "Insured" for the purpose of determining application of these exclusions **(P)2(a)** and **(P)2(b)**;

- (3) Liability of any "Insured" arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids;
- (4) Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof;
- (5) Failure to perform or breach of a contractual obligation;
- (6) Liability of any "Insured" arising out of an "Occurrence" with the knowledge that it was unlawful or wrongful or with the intent to harm or injure;
- (7) Liability arising out of the willful commission of a crime; or
- (8) For any loss, cost, civil fine, penalty or expense against any "Insured" arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency.

(Q) To "Employment Practices" liability, for:

- (1) Strikes and Lockouts. This policy does not apply to any "Claim" arising out of a lockout, collective bargaining, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations;
- (2) WARN Act. This policy does not apply to any "Claim" arising out of the Workers Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state or local law;
- (3) Any "Claim" arising out of any demand or requirement to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person;

(R) To any liability arising, directly or indirectly, in whole or in part, as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes:

- (1) Civil war;
- (2) Armed conflict between two or more nations, armed conflict between military forces of any origin, or warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

(S) To "Property Damage" to:

- (1) "Your Work" arising out of "Your Work" or any part of it;
- (2) "Your Product" or arising out of "Your Product" or any part of it; or
- (3) "Impaired Property" or property not physically injured, arising out of a defect, deficiency, inadequacy or dangerous condition in "Your Product" or "Your Work", or a delay or failure by the "Participating Named Insured" or anyone acting on the "Participating Named Insured's" behalf to perform a contract or agreement in accordance with its terms.

- (T)** To any liability for "Personal Injury" arising out of:
- (1) Oral or written publication of material, if done by or at the direction of the "Insured" with knowledge of its falsity; or
 - (2) Oral or written publication of material whose first publication took place before the beginning of the "Policy Period".
- (U)** To any liability, including but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:
- (1) Any "Fungus(i)", "Mold(s)", mildew or yeast;
 - (2) Any "Spore(s)" or toxins created or produced by or emanating from such "Fungus(i)", "Mold(s)", mildew or yeast;
 - (3) Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any "Fungus(i)", "Mold(s)", mildew or yeast; or
 - (4) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "Fungus(i)", "Mold(s)", mildew, yeast, or "Spore(s)" or toxins emanating therefrom, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, damage, cost or expense.
- (V)** To any liability arising out of or related to, either directly or indirectly, any "Terrorist Activity", as defined herein.
- (W)** To any liability for "Bodily Injury", "Property Damage", "Public Officials Errors and Omissions Liability" or "Non- Profit Directors and Officers Liability" arising out of "Subsidence."
- (X)** To "Personal Injury" or "Property Damage" arising out of the actual or alleged exposure to electro and/or electromagnetic fields.
- (Y)** To any liability arising out of the ownership, maintenance, use or entrustment to others of any property, including all related operations, for which any "Insured" is acting or is obligated to act in a fiduciary or representative capacity.
- (Z)** (a) To "Bodily Injury" or "Property Damage" arising out of or in connection with the ingestion, inhalation, absorption or otherwise arising from any form of lead;
- (b) To any liability arising out of or in connection with any request, demand, or order that any "Insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
- (c) To any liability arising out of or in connection with any "Claim" or suit by or on behalf of a governmental authority for "Damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.
- (AA)** To any liability arising out of injury to any master or any member of the crew of any vessel.
- (BB)** To any liability arising out of any loss, cost, or expense as respects to any "Claim" made or suits brought against the "Participating Named Insured" or any indemnity pursuant to the United States Longshoremen & Harbor Workers Compensation Act (Title 33 USCA, Sections 901-950) including any amendments or revisions thereto.

(CC) To any liability that is provided for or covered under any subsequent, replacement or renewal policy or policies issued by the "Company", and/or any other affiliated AmTrust Financial Services, Inc. Company.

(DD) To any "Bodily Injury" to any person as a contestant or athletic participant (including coaching or managing) in any organized athletic sports league event such as a Little League, American Youth Soccer Organization, or Pop Warner football, which is, conducted on premises the "Participating Named Insured" owns, rents or controls.

(EE) To any liability arising out of:

- (1) The actual or threatened abuse or molestation by any person while in the care, custody or control of any "Insured", or
- (2) The negligent:
 - a) employment;
 - b) investigation;
 - c) supervision;
 - d) reporting to the proper authorities, or failure to so report; or
 - e) retention;of a person for whom any "Insured" is or ever was legally responsible and whose conduct would be excluded by (1) above.

However, we will pay solely for "defense costs" of the "insured" for a claim otherwise excluded above, but the most we will pay is \$250,000 in the aggregate per policy period, subject to the following conditions:

- a. We will not pay any claim or defense cost on behalf of any "insured" who personally takes part in inflicting physical or sexual abuse, sexual molestation, sexual exploitation or sexual injury upon another person; or on behalf of any "insured" who remains passive upon gaining knowledge of any alleged physical or sexual abuse, sexual molestation, sexual exploitation, or sexual injury committed by an employee or volunteer of the insured.
- b. We will not pay any claim or defense costs on behalf of any "insured" who commits an intentional or criminal act.

(FF) To any liability arising out of, caused in whole or in part by, contributed to, or in any way relating to or in connection with the construction, demolition, planning, or preparation of any "Residential Work or Project."

(GG) To any liability arising out of "Bodily Injury" to a tenant or a guest of a tenant at a "Habitational Facility" that the "Participating Named Insured" owns, rents, or controls.

(HH) To any liability arising out of an act, error or omission of an insurance agent, claims adjuster or mortgage broker.

(II) To any liability arising out of, caused in whole or in part by, contributed to, or in any way relating to or in connection with an "Occurrence" which has first occurred or begun prior to the effective date of this policy, regardless of whether repeated or continued exposure to conditions which were a cause of such damages occur during the "Policy Period" and cause additional, progressive or further damages, all of which is excluded from coverage. This exclusion shall apply whether or not the "Insured's" legal obligation to pay damages has been established as of the inception date of this policy. However, this exclusion does not apply to coverages afforded to the "Insureds" listed in the Nose Cover And Extended Reporting Period endorsement, if attached, for damages arising out of "Public Officials Errors and Omissions" Liability, "Non-profit Directors and Officers Liability" or "Employment Practices" Liability.

VII. DEFINITIONS

(A) "Aircraft" means a vehicle designed for the transport of persons or property principally in the air.

(B) "Automobile" or "auto" means:

- (1) A land motor vehicle, trailer, or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
 - (2) Any other land vehicle that is subject to a compulsory or financial responsibility laws in the state where it is licensed or principally garaged.
- (C) "Bodily Injury" means bodily harm, sickness or disease sustained by a person, including death or disability resulting from any of these at any time. "Bodily Injury" includes mental injury, mental anguish, humiliation, shock or death if resulting directly from "Bodily Injury". "Bodily Injury" shall include care, loss of services, loss of consortium, or death resulting at any time from the "Bodily Injury".
- (D) "Claim" means:
- (1) a written demand for monetary or non-monetary relief; or
 - (2) a civil, criminal, or administrative proceeding for monetary or non-monetary relief which is commenced by:
 - (a) service of a complaint or similar pleading; or
 - (b) return of an indictment (in the case of a criminal proceeding); or
 - (c) receipt or filing of a notice of charges.
- (E) "Dam" means any artificial barrier together with appurtenant works, which does or may impound or divert water, and which either:
- (1) Is twenty-five (25) feet or more in height from the natural bed of the stream or water course at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation, or
 - (2) Has an impounding capacity of fifty (50) acre-feet or more.
- "Dam" shall not include any such barrier which is not in excess of or equal to twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of or equal to fifty (50) acre feet regardless of height.
- (F) "Damages" means monetary compensation for death (or "Bodily Injury") and for care and loss of services resulting from "Personal Injury" and for damage to and loss of use of property resulting from "Property Damage" and losses for "Public Officials Errors and Omissions" and "Non-Profit Directors and Officers Liability" including "Defense Costs".
- "Damages" as respects "Employment Practices" only means a monetary judgment, monetary award, or a monetary settlement, including "Defense Costs", which the "Insured" is obligated to pay.
- (G) "Defense Costs" means reasonable attorney's fees, costs and expenses and other reasonable fees, costs and expenses incurred in connection with the investigation, adjustment, defense and appeal of a "Claim" or suit covered hereunder, including the allocated expenses of the "Participating Named Insured's" Claim Servicing Organization. However, "Defense Costs" do not include the office expenses of the "Company" or the "Insured" nor the salaries of employees or officials of the "Company" or the "Insured". "Defense Costs" will not include pre and post judgment interest if the "Company" makes a settlement offer.
- (H) "Directors, Officers or Trustees" means any persons who were, now are, or shall be directors, trustees, officers, employees, volunteers, contracted employees, or staff members of the organization and shall include any executive board members committee members whether salaried or not, including their estates, heirs, legal representatives or assigns in the event of death, incapacity or bankruptcy.

(I) "Non-Profit Directors and Officers Liability" means any actual or alleged negligent action or inaction, mistakes, misstatements, errors, neglect, inadvertence, or omission by "Directors, Officers or Trustees" in their discharge of duties on behalf of an "Insured" entity.

(J) "Employment Practices" means any "Claim" made against an "Insured" relating to a past, present or prospective employee of the "Insured" (and the spouse, child, parent, brother or sister of that person as a consequence of the "Employment Practices" that person at whom any of the employment-related practices described below is directed) arising out of: (1) any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment; (2) employment related misrepresentation; (3) wrongful failure to employ or promote; (4) wrongful deprivation of career opportunity; (5) wrongful discipline; (6) failure to grant tenure or negligent employee evaluation; (7) failure to provide adequate employee policies and procedure; (8) sexual or workplace harassment of any kind, (including the alleged creation of a harassing workplace environment); (9) unlawful discrimination, (including sexual or workplace harassment or creation of a harassing workplace environment) whether direct, indirect, intentional or unintentional.

"Employment Practices" shall include "Claim" brought under state, local, or federal law, whether common or statutory, and shall include allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:

- (1) Americans with Disabilities Act of 1992 (ADA);
- (2) Civil Rights Act of 1991;
- (3) Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;
- (4) Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy Discrimination Act of 1978;
- (5) Civil Rights Act of 1866, Section 1981;
- (6) Fifth and Fourteenth amendments of the U.S. Constitution.

(K) "Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including "Molds", rusts, mildew, smuts and mushrooms.

(L) "Habitational Facility" means a place in which to live.

(M) "Impaired Property" means tangible property, other than "Your Product" or "Your Work", that cannot be used or is less useful because:

- (1) It incorporates "Your Product" or "Your Work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- (2) An "Insured" has failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
 - (a) The repair, replacement, adjustment or removal of "Your Product" or "Your Work"; or
 - (b) An "Insured" fulfilling the terms of the contract or agreement.

(N) "Insured" means any person or organization qualifying as an "Insured" under the Persons or Entities "Insured" section of this policy.

(O) "Insured Contract" means:

- (1) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the "Participating Named Insured" or temporarily occupied by the "Participating Named Insured" with

permission of the owner is not an "Insured Contract";

- (2) A sidetrack agreement;
- (3) Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- (4) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- (5) An elevator maintenance agreement;
- (6) That part of any other contract or agreement pertaining to the "Participating Named Insured's" business (including an indemnification of a municipality in connection with work performed for a municipality) under which the "Participating Named Insured" assumes the tort liability of another party to pay for "Bodily Injury" or "Property Damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph (6) does not include that part of any contract or agreement:

- (a) That indemnifies a railroad for "Bodily Injury" or "Property Damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (b) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (i) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (ii) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (c) Under which the "Insured", if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the "Insured's" rendering or failure to render professional services, including those listed in (b) above and supervisory, inspection or engineering services.

(P) "Occurrence" means:

- (1) With respects to "Personal Injury" described in Definition R.1. and "Property Damage", an accident, which is neither expected nor intended from the "Insured's" conduct, including continuous or repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury" or "Property Damage". All such exposure to substantially the same general conditions will be considered as arising out of one "Occurrence".
- (2) With respect to "Personal Injury" described in Definition R.2 through R.9, all "Damages" arising out of substantially the same "Personal Injury" regardless of frequency, repetition, the number or kind of offenses, or number of claimants, will be considered as arising out of one "Occurrence".
- (3) With respect to "Public Officials Errors and Omissions" or "Non-Profit Directors and Officers Liability", an act, omission to act or failure to act during the "Policy Period" which results in injury or "damage".
- (4) With respect to "Employment Practices" liability, an act, omission to act or failure to act during the "Policy Period" resulting from "Employment Practices."

Only one policy issued by the "Company" and one limit of insurance is applicable to any one "Occurrence".

(Q) "Participating Named Insured" or "You" means any Named Insured listed on a participation endorsement attached to this policy. Named insured means any public entity or non-profit corporation designated as such on a participation endorsement attached to this policy.

(R) "Personal Injury" means:

- (1) "Bodily Injury";
- (2) Shock, fright, mental anguish, emotional distress, mental injury, including death or disability resulting from any of the foregoing;
- (3) False arrest, imprisonment, detention, or malicious prosecution;
- (4) Wrongful entry into, or eviction of any person from, a room, dwelling or premises that a person occupies, or other invasion of the right of private occupancy;
- (5) A publication or utterance that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, or reputation;
- (6) A publication or utterance that violates a person's right of privacy;
- (7) Infringement of copyright or trademark or unauthorized use of title;
- (8) Plagiarism or misappropriation of ideas;
- (9) Discrimination on any basis, including but not limited to race, religion, nationality, national origin, color, creed, sex, age, except discrimination included within "Employment Practices";
- (10) Assault and battery not committed by, at the direction of or with the consent of the "Insured"

However, this limitation does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from "Damage".

(S) "Policy Period" means the period of time stated in Item 2 of the Participation Endorsement.

(T) "Products-Completed Operations Hazard" means all "Bodily Injury" and "Property Damage" occurring away from premises the "Participating Named Insured" owns or rents and arising out of "Your Product" or "Your Work" except: products that are in the "Participating Named Insured's" physical possession; or work that has not yet been completed or abandoned.

(U) "Property Damage" means physical injury to tangible property, including all resulting loss of use of such property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.

(V) "Public Officials Errors and Omissions" means any actual or alleged negligent action or inaction, mistake, misstatement, error, neglect, inadvertence, or omission by the "Insured" in the discharge of duties on behalf of an "Insured" entity.

(W) "Residential Work or Project" means detached or attached single family homes, single family tract homes, town homes, condominiums, and co-operative housing apartments.

(X) "Retroactive Date" means the "Retroactive Date" stated on the "Nose Cover And Extended Reporting Period" Endorsement, if attached to this policy, or the participation endorsement, that provided coverage to the "Participating Named Insured" immediately prior to coverage being provided hereunder.

(Y) "Subsidence" shall mean the settling, sinking, slipping, falling away, caving in, shifting, eroding, mud flow, rising, tilting, or any other movement of land or earth.

(Z) "Terrorist Activity" shall mean any deliberate, unlawful act that:

- (1) is declared by any authorized governmental official to be or to involve terrorism, "Terrorist Activity" or acts of terrorism; or
- (2) includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to:
 - (a) promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;
 - (b) influence, disrupt or interfere with any government related operations, activities or policies;
 - (c) intimidate, coerce or frighten the general public or any segment of the general public; or
 - (d) disrupt or interfere with a national economy or any segment of a national economy; or
- (3) includes, involves, or is associated with, in whole or in part, any of the following activities, or the threat thereof:

- (a) hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, airplane, train, vessel, or motor vehicle;
- (b) hostage taking or kidnapping;
- (c) the use of any biological, chemical, radioactive, or nuclear agent, material, device or weapon;
- (d) the use of any bomb, incendiary device, explosive or firearm;
- (e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;
- (f) the injuring or assassination of any elected or appointed government official or any government employee;
- (g) the seizure, blockage, interference with, disruption of, or "Damages" to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or
- (h) the seizure, blockage, interference with, disruption of, or "Damages" to tunnels, roads, streets, highways, or other places of public transportation or conveyance.

(AA) "Ultimate Net Loss" means the sums for which the "Insured" is legally liable to pay as "Damages" by reason of a judgment or settlement, and shall include all costs, including "Defense Costs", arising out of an "Occurrence".

However, "Ultimate Net Loss" shall not include civil or criminal fines or penalties imposed by law, punitive or exemplary "Damages", the multiplied portion of multiplied "Damages", taxes and any amount or which the "Insureds" are not financially liable or which are without legal recourse to the "Insureds", or matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

(BB) "Your Product" means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) An "Insured";
 - (b) Others trading under the name of an "Insured"; or
 - (c) A person or organization whose business or assets an "Insured" has acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products. "Your Product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of "Your Product." "Your Product" also includes the providing of or failure to provide warnings or instructions.

"Your Product" does NOT include vending machines or other property rented to or located for the use of others but not sold.

(CC) "Your Work" means:

- (1) Work or operations performed by an "Insured" or on the behalf of an "Insured"; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

"Your Work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of "Your Work." "Your Work" also includes the providing of or failure to provide warnings or instructions.

(DD) "Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and "Fungi" that produce "Molds".

(EE) "Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "Fungus(i)", "Mold(s)", mildew, plants, organisms or microorganisms.

VIII. COMMON POLICY CONDITIONS

(A) Premium.

The premium designated in the participation endorsement as Total Advance Premium is a 100% minimum and deposit premium only, which will be credited to the amount of the earned premium due at the end of the "Policy Period". The earned premium for the "Policy Period" shall be computed by application of the rate shown in the policy Declarations to the audited exposure base. The first "Participating Named Insured" is responsible for the payment of premium and will be the payee of any returned premiums.

(B) Inspection and Audit.

The "Company" shall be permitted but not obligated to inspect the "Participating Named Insured's" property and operations at any time. Neither the "Company's" right to make inspections, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the "Participating Named Insured" or others, to determine or warrant that such property or operations are safe.

The "Participating Named Insured" shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the "Company" at the end of the "Policy Period" and at such times during the "Policy Period" as the "Company" may direct. The "Company" may examine and audit the "Participating Named Insured's" books and records at any time during the "Policy Period" and extensions thereof, within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

(C) "Participating Named Insured's" Duties in the Event of "Occurrence", "Claim" or Suit.

- (1) In the event of an "Occurrence" which may result in a "Claim", written notice containing particulars sufficient to identify the "Participating Named Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses

of the injured and available witnesses, shall be given by or for the "Participating Named Insured" to the "Company" or the Claims Servicing Organization listed on the participation endorsement as soon as practicable.

- (2) If a "Claim" is made or suit is brought against the "Participating Named Insured", the "Participating Named Insured" shall immediately forward to the "Company" or the Claims Servicing Organization listed on the participation endorsement every demand, notice, summons or other process received by him or his representative.
- (3) The "Insured" shall cooperate with the "Company" and upon its request assist in making settlements, in the conduct of "Claims" or suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the "Participating Named Insured" because of liability with respect to which insurance is afforded under this policy; and the "Participating Named Insured" shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- (4) Whenever the "Insured" has information from which the "Participating Named Insured" may reasonably conclude that an "Occurrence" covered hereunder involves injuries or "Damages" for which the "Participating Named Insured" may be held liable and is likely to involve this policy, notice shall be sent as soon as practicable to the Claims Servicing Organization listed in the participation endorsement. However, failure to give notice of any "Occurrence" which, at the time of its happening, did not appear to involve this policy but which, at a later date, would appear to give rise to a "Claim" hereunder, shall not prejudice coverage for such "Claim".
- (5) No "insured" shall, except at his/her own cost, voluntarily make any payment, assume any obligation, or incur any expense, other than for first aid, without "our" consent. The incurring of any expenses or obligation shall be deemed a violation of this Condition and the Company shall have no obligation to pay or reimburse such excess expenses or obligation.
- (6) The **insured** must also give the **Company** written notice as soon as practicable for any **occurrence**, offense, **wrongful** act, claim or **suit** which the **insured** becomes aware of that includes injury of the following types:
 1. Paralysis, paraplegia, or quadriplegia;
 2. Loss of eyes or limbs;
 3. Spinal cord or brain injury;
 4. Sensory organ or nerve injury or neurological deficit;
 5. Serious burns;
 6. Substantial disability or disfigurement;
 7. Death
 8. Amputation or loss of use of a major extremity;
 9. Any disability where it appears reasonably likely that there will be disability that lasts for more than one year;
 10. Rape, sexual abuse offense/molestation of any individual; or
 11. Any class action.

(D) Appeals.

If a Self-Insured Retention applies and the "Participating Named Insured" elects not to appeal a judgment in excess of a "Participating Named Insured's" self-Insured Retention, the "Company" may elect to do so at its own expense, but in no event shall the liability of the "Company" for "Ultimate Net Loss" exceed the applicable amount specified in the Limit of Liability section of the participation endorsement plus all "Defense Costs" necessary and incidental to such appeal.

(E) Action Against the "Company".

No action shall lie against the "Company" with respect to any "Occurrence" unless, as a condition precedent thereto, the "Participating Named Insured" shall have fully complied with all the terms of this policy, nor until the amount of the "Participating Named Insured's" obligation to pay an amount of

"Ultimate Net Loss" in excess of the "Participating Named Insured's" Self-Insured Retention, if applicable, shall have been finally determined either by judgment against the "Participating Named Insured" after actual trial or by written agreement of the "Participating Named Insured", the claimant and the "Company".

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the "Company" as co-defendant in any action against the "Participating Named Insured" to determine the "Participating Named Insured's" liability.

(F) Bankruptcy and Insolvency.

Bankruptcy or insolvency of the "Participating Named Insured" shall not relieve the "Company" of any of its obligations hereunder.

(G) Other Insurance.

If valid and collectible insurance with any other Company is available to the "Insured" covering a loss also covered hereunder, whether on a primary, excess or contingent basis, the insurance hereunder shall be in excess of, and shall not contribute with such other insurance; provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this policy, or to other insurance which is intended to provide the remainder of the Limit of Liability stated in the Declarations of this policy when the insurance afforded under this policy provides less than one hundred (100) percent of the limit set forth on the Declarations.

(H) Changes.

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this policy or stop the "Company" from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the "Company" to form a part of this policy.

(I) Assignment.

Assignment of interest under this policy shall not bind the "Company" until its consent is endorsed hereon; however, if a "Participating Named Insured" shall die, such insurance as is afforded by this policy shall apply (1) to the "Participating Named Insured's" legal representative, as the "Participating Named Insured", but only while acting within the scope of his/her duties as such; and (2) with respect to the property of the "Participating Named Insured" to the person having temporary custody thereof as "Participating Named Insured", but only until the appointment and qualification of the legal representative.

(J) Cancellation.

Coverage provided to the "Participating Named Insured" under the participation endorsement may be canceled by the "Participating Named Insured" by surrendering the policy to the "Company" or any of its authorized agents or by mailing to the "Company" written notice stating when thereafter the cancellation shall be effective.

The "Company" may cancel the coverage provided to the "Participating Named Insured", by mailing to the first "Participating Named Insured" at the address shown in the participation endorsement written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. Provided that the "Participating Named Insured" fails to discharge, when due, any of its obligations in connection with the payment of premium for the policy or any installment thereof, whether payable directly to the "Company" or its agent or indirectly under a premium finance plan or extension of credit, the coverage provided to the "Participating Named Insured" may be canceled

by the "Company" by mailing to the "Participating Named Insured" at the address shown in the participation endorsement, written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the "Policy Period". Delivery of such written notice either by the "Participating Named Insured" or by the "Company" shall be equivalent to mailing.

If the "Participating Named Insured" cancels, earned premium shall be computed in accordance with the customary short rate table and procedure, subject to the minimum earned premium shown on the participation endorsement. If the "Company" cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The actions of one "Participating Named Insured" under this paragraph, shall not effect the cancellation of any other "Participating Named Insured".

(K) Conversion to Run-off Coverage

If prior to the effective date of the cancellation of this policy or if prior to the expiration date of this policy stated in Item 2 of the Declarations,

- (1) another entity acquires substantially all of the "Participating Named Insured", or
- (2) the "Participating Named Insured" merges into another entity such that the "Participating Named Insured" is not the surviving entity, or
- (3) the "Participating Named Insured" consolidates with another entity, or
- (4) the "Participating Named Insured" ceases to qualify as a not-for-profit organization under the Internal Revenue Code, parts (1), (2), (3), and (4) above shall hereinafter be referred to as "Transaction", then:
 - (1) The "Participating Named Insured" must give written notice of such "Transaction" to the "Company" within thirty (30) days after the effective date of such "Transaction", and provide the "Company" with such information in connection therewith as the "Company" may deem necessary;
 - (2) This policy shall only apply, subject to its terms, with respect to any "Occurrence" actually or allegedly committed prior to the effective date of such "Transaction" described herein above.

(L) Nonrenewal

If we decide not to renew this policy, the "Company" will mail or deliver to the first "Participating Named Insured" shown in the respective participation endorsement and to the producer of record written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

(M) Severability Of Interests

The terms "Participating Named Insured" and "Insured" are used severally and not collectively, but the inclusion herein of more than one "Participating Named Insured" or "Insured" shall not operate to increase the limits of the "Company's" liability.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: _____

Insured: _____



INSURANCE SUPPLEMENT

AGENCY Alliant Insurance Services, Inc.	APPLICANT/NAMED INSURED	
POLICY NUMBER	CARRIER Great American E&S Insurance Company	NAIC CODE

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

- ☐ I hereby elect to purchase terrorism coverage for a prospective premium of \$_____.
- ☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature	Print Name	Date
Policyholder/Applicant's Signature	Print Name	Date
Policyholder/Applicant's Signature	Print Name	Date
Effective Date		

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